

# Mecklenburg County

## Quarterly Economic Update



.....September 2018

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## Report Summary

The economy is strong with 2<sup>nd</sup> quarter GDP up 4.2%, and continued momentum carrying into the third quarter. The Unemployment rate for the County remains low at 4.0% and is projected to hold or move lower in the coming months. Consumer sentiment has pulled back in recent months but is holding near historically high levels. The outlook looks bright for both the local and national economy as signaled by leading indicators.

The commercial office market has performed very well this past quarter with current office construction in the county outpacing the entire state of Florida. The residential housing market is showing signs of cooling off as this marks the 7<sup>th</sup> straight month where year-over-year sales have been negative.

Newly added to the report is a section detailing the industrial / warehousing activity in the County. This section details warehouse usage and construction, and it will serve to gauge the health of our industrial sector. If you have any questions regarding this report, please feel free to contact Brandon Simmons at michael.simmons@mecklenburgcountync.gov

## National Summary

The nation's GDP grew at 4.2% in the second quarter, a major improvement over any quarter in the last few years. Recent economic reports suggest that the momentum is carrying into the third quarter.



- Non-seasonally adjusted unemployment for the Nation was 4.2% in June for both the nation and North Carolina, slightly higher than Mecklenburg County.
- US nonfarm increased by 313,000 in July us 64.7% from July 2017.
- Consumer sentiment remains historically high, although sentiment declined after reaching its peak in March.
- Inflation is on the rise with energy prices leading the way (YoY up 11.9%). Core inflation has picked up over the past few months and now sits at 2.3%.

National Summary	Most Recent	Current Level	1 Yr Ago	5 Yr Ago	10 Yr Ago
Real GDP Growth	Q2 2017	4.1%	3.0%	0.5%	2.1%
Points Variance			1.1%	3.6%	2.0%
US Nonfarm Payroll	Jul-18	313,000	190,000	111,000	-213,000
Percentage Change			64.7%	182.0%	-246.9%
CPI-U	Jun-18	2.23%	1.51%	1.53%	3.86%
Points Variance			-0.7%	-0.7%	1.6%
Consumer Sentiment	Aug-18	95.3	96.8	82.1	63.0
Points Variance			-1.5	13.2	32.3
US Leading Index	Jun-18	1.42%	1.44%	1.47%	-0.11%
Points Variance			0.0%	-0.1%	1.5%
National Gas Prices	Jul-18	\$ 2.85	\$2.30	\$3.59	\$4.06
\$ Variance			\$0.24	-\$0.21	-\$0.30

*Notes: Green highlights above show improving statistics; red areas show declining statistics. Consumer Price Index for Urban Consumers (CPI-U) was not given a color ranking as inflation should be looked at relative to target inflation. Year over Year (YoY) points refer to percentage point variance. All YoY numbers are expressed in terms of the last update received. i.e. If the last available update was FY 2017 then the YoY will compare to FY 2016. References to specific dates indicates the YoY is calculated from that date.*

## Local Summary

Mecklenburg County's economy continues to shine with population growth, unemployment, and the housing market more favorable than both the Nation and North Carolina.



- Unemployment is trending below the State and Nation. In June, Mecklenburg's unemployment rate was 4.0% vs. 4.2% (State and National level).
- Sales taxes collected for the County are up 6.7% from FY 2017 with one month outstanding.
- Leading indicators for North Carolina jumped higher in June, up 2.5% over the previous quarter.
- The commercial, industrial, and housing market are showing solid increases in price and rents. The commercial market is experiencing a high level of new construction with 3.5 million square foot currently under development.

Local Summary	Most Recent	Current Level	1 Yr Ago	5 Yr Ago	10 Yr Ago
Mecklenburg Population Level	FY 2017	1,076,837	1,057,237	968,204	865,075
Percentage Change			1.9%	11.2%	24.5%
Mecklenburg Poverty Population	FY 2016	127,889	145,693	159,148	93,558
Percentage Change			-12.2%	-19.6%	36.7%
Mecklenburg Poverty Population %	FY 2016	12.1%	14.1%	16.8%	11.2%
Points Variance			-2.0%	-4.7%	0.9%
Mecklenburg Unemployment Rate	Jun-18	4.0%	4.6%	8.6%	5.9%
Points Variance			-0.6%	-4.6%	-1.9%
Mecklenburg Employed	Apr-18	590,382	564,567	481,963	436,055
Percentage Change			4.6%	22.5%	35.4%

*Notes: Green highlights above show periods of positive results; red areas show declining results.*

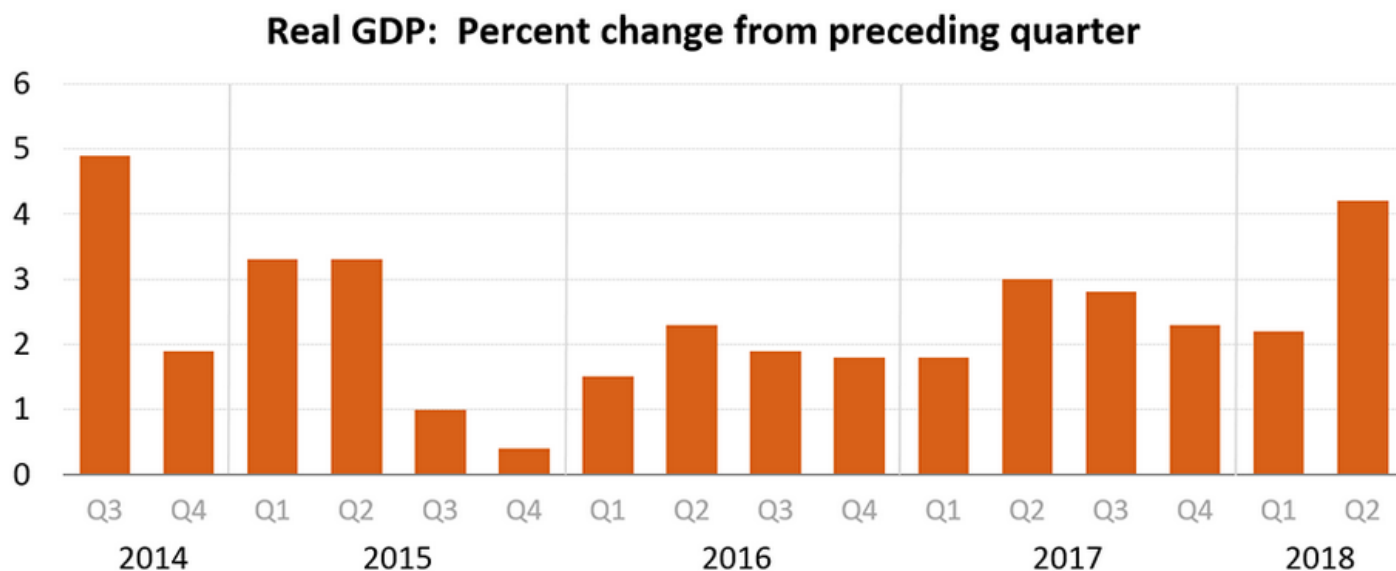
## Gross Domestic Product

*The US grew 4.2% in the second quarter compared to the initial estimates of 4.1%.*

The second quarters' growth rate revision reflected stronger business investment and a slight downward revision to consumer spending. The 4.2% rate marked the strongest pace of growth in nearly four years.

Tax legislation enacted last December appeared to give companies' after-tax profits a boost in the first quarter, which eased in the second quarter. Among other changes, the tax overhaul slashed the corporate tax rate to 21% from 35% starting Jan. 1.

Overall, the report reinforced the view that the U.S. economy was strong in the second quarter, powered by robust consumer spending, strong exports and firm business investment. The latest reading on GDP bolsters the likelihood that Federal Reserve officials will raise short-term interest rates at their next scheduled meeting in four weeks' time, Sept. 25-26. Central bank officials have raised rates twice this year, to a range between 1.75% and 2%, and penciled in two more increases in 2018 and three in 2019.



Source: Bureau of Economic Statistics

## Employment

*Unemployment continues to trend lower, setting new records, but wage growth has been lackluster.*

The unemployment rate for the U.S. edged down by 0.1% to 3.9% in July. In June, the Nation and State held even at 4.2% with the unemployment rate for the county at 4.0%. For the Nation, the number of unemployed persons declined by 284,000 to 6.3 million in July.

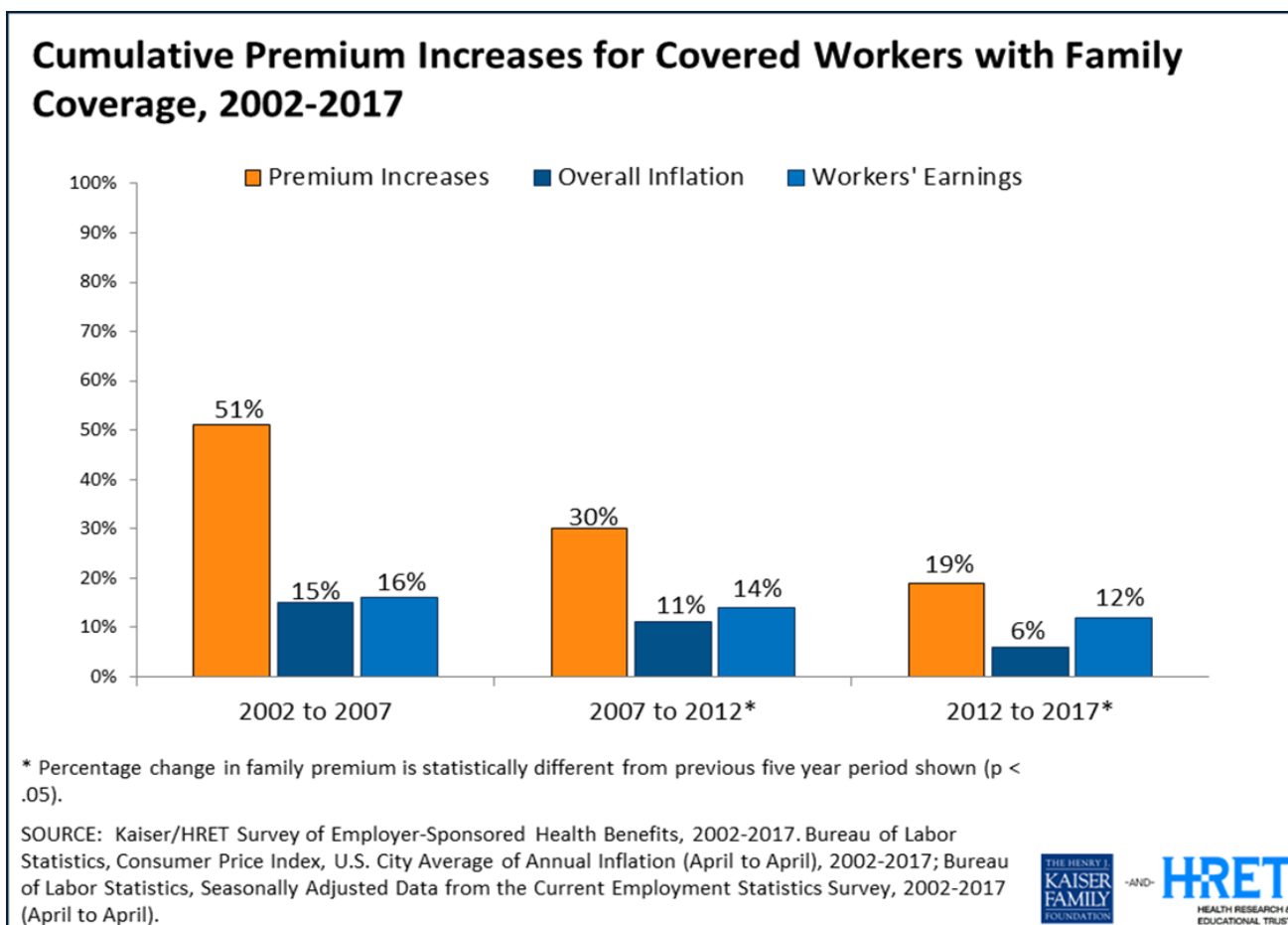
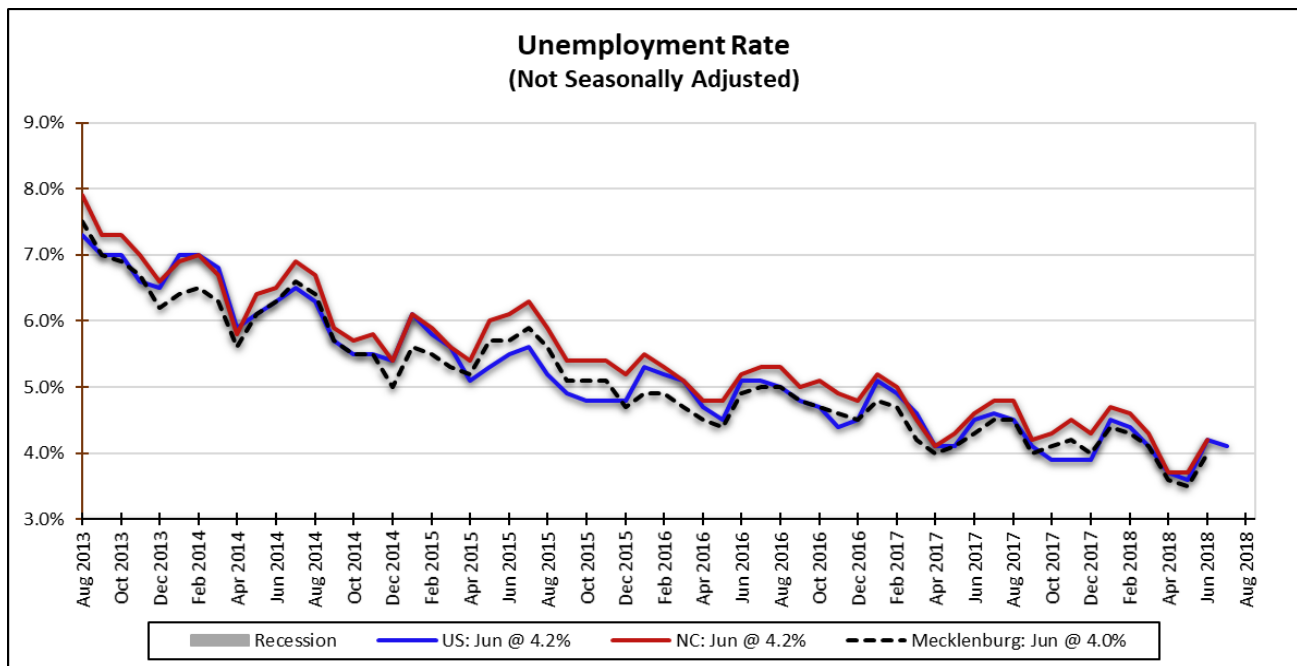
For the Nation, the number of long-term unemployed (those jobless for 27 weeks or more) was essentially unchanged at 1.4 million in July and accounted for 22.7% of the unemployed.

Among the marginally attached, there were 512,000 discouraged workers in July, little changed from a year earlier. Discouraged workers are persons not currently looking for work because they believe no jobs are available for them. The remaining 1.0 million persons marginally attached to the labor force in July had not searched for work for reasons such as school attendance or family responsibilities.

Although the labor market is at full employment, growth in wages has been muted with average hourly earnings up only 2.7%.

Below are some potential factors behind the slow wage growth.

1. Retiring baby boomers with high incomes are being replaced by lower earning millennials who are just starting their careers. In July, the “Employment Situation Report” showed the unemployment rate for Americans between the age of 16 to 24 dropped to 9.2% which is the lowest level since 1966.
2. Companies are facing higher health insurance costs. Some companies stated that funds that would have been used to increase wages are going to cover the higher premiums. A recently released report from the Kaiser Foundation found the average family in 2017 paid \$5,714 for a health insurance plan, compared with \$4,316 five years earlier. That equates to a 32% increase where overall inflation came in at 6%. A graph from their study is provided on the following page that illustrates how premiums have changed compared to wages and overall inflation.
3. Companies are electing to give employees bonuses, or other benefits in lieu of wage increases. After the tax reform was passed more companies announced one-time bonuses over wage increases. Of the companies that did announce wage increases, most were in retail or food service industries where wages were below the market rate.



Source: Bureau of Labor Statistics and The Henry J. Kaiser Family Foundation

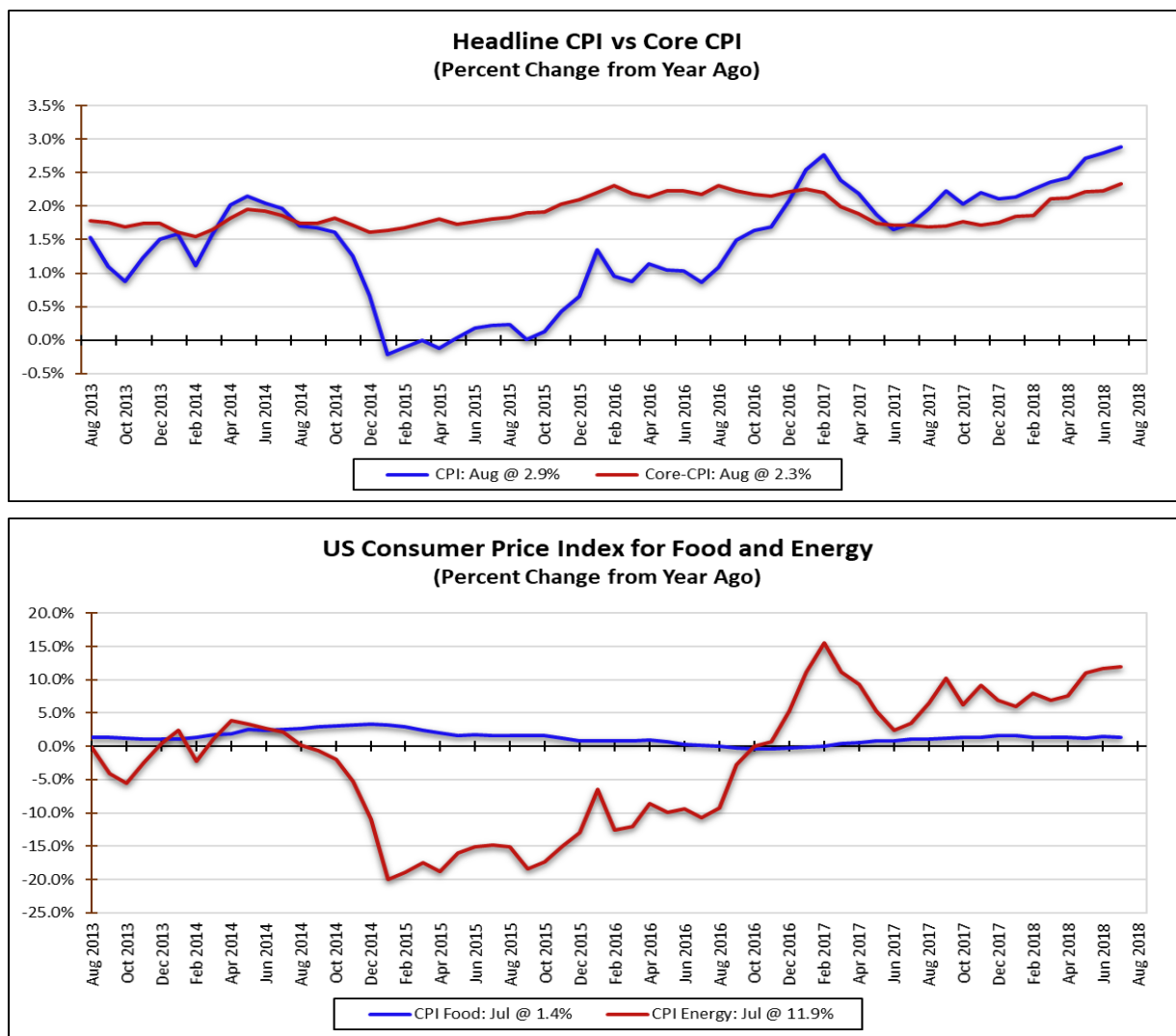


## Inflation

*Headline inflation hits 2.9 %, pushing inflation adjusted average hourly earnings negative.*

Inflation is on the rise with year-over-year headline consumer price index (CPI) up 2.9%. The increase in headline inflation largely comes from the change in energy prices. The CPI for energy has averaged around 9.0% growth since January, with the past three months up 11.5%. The growth in energy prices is expected to moderate in the coming quarter. The CPI for food has held stable ranging from 1.2% to 1.7% year-over-year growth since January with the most recent readings at 1.4% growth.

Inflation has pushed the real average hourly earnings into negative territory in July (-0.4%), meaning that prices are growing faster than their earnings which could affect GDP growth. However, with the job market as tight as it has been, and the expected moderation in energy prices, wages should continue to rise to putting real average hourly earnings back in the black.



Source: Bureau of Labor Statistics (BLS)



## Consumer Sentiment

*Consumer Sentiment peaked in March and has steadily declined as perceptions of inflation grips the market.*

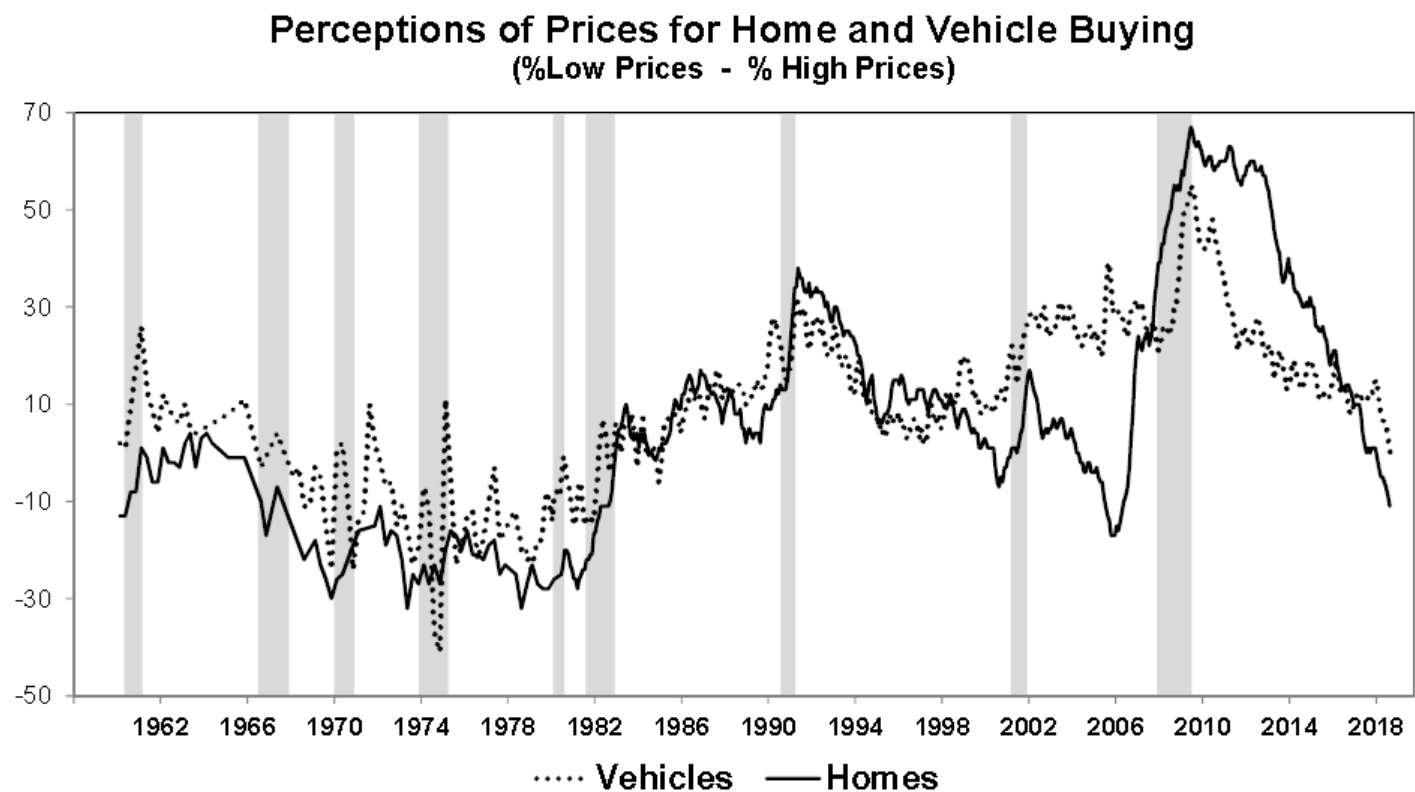
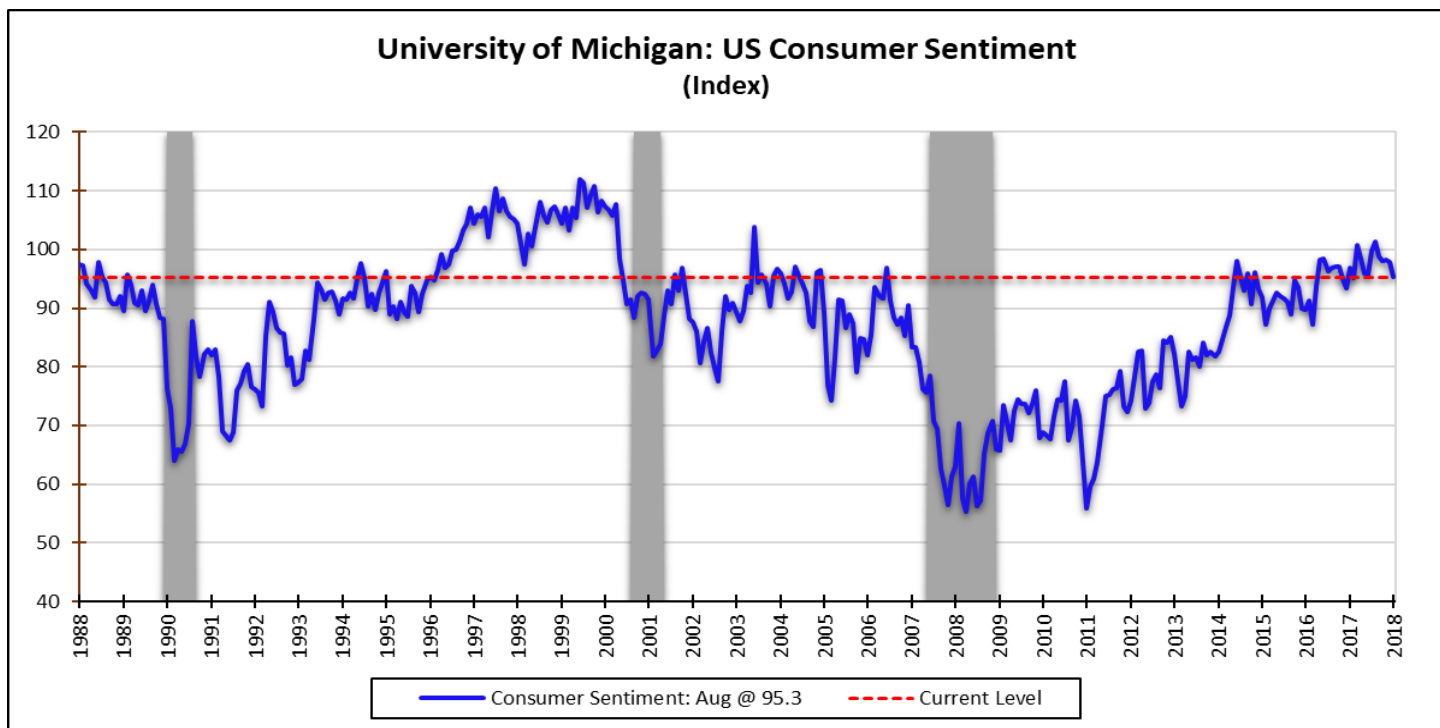
Consumer sentiment remains historically high as shown in the graph on the following page, but our country is experiencing some changing viewpoints on the economy. Within the survey, the perception of buying conditions for items such as houses, and vehicles have fallen to new lows. Vehicle prices in August were viewed less favorably than any time since the close of 1984, while home prices were viewed less favorably judged less favorably than any time since 2006.

Fueling inflation within these two categories was, the price of lumber surging to an all-time high in May over trade disputes with Canada, wildfires on the west coast, and limited rail capacity. Inflation in vehicles was largely driven by the price of steel and trade disputes.

### Preliminary Results for August 2018

	Aug	Jul	Aug	M-M	Y-Y
	2018	2018	2017	Change	Change
Index of Consumer Sentiment	95.3	97.9	96.8	-2.7%	-1.5%
Current Economic Conditions	107.8	114.4	110.9	-5.8%	-2.8%
Index of Consumer Expectations	87.3	87.3	87.7	+0.0%	-0.5%

Source: University of Michigan



*\*Lower values represent less favorable prices for consumers*

Source: University of Michigan

## Leading Economic Indicator (LEI)

*The leading indicators show continued strength in the economy throughout the remainder of the year.*

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.6 percent in July to 110.7 (2016 = 100), following a 0.5 percent increase in June, and a 0.1 percent increase in May.

“The U.S. LEI increased in July, suggesting the US economy will continue expanding at a solid pace for the remainder of this year,” said Ataman Ozyildirim, Director of Business Cycles and Growth Research at The Conference Board. “The strengths among the components of the leading index were very widespread, with unemployment claims, the financial components, and the ISM® New Orders Index making the largest positive contributions. The ten components of The Conference Board Leading Economic Index® for the U.S. include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers’ new orders, consumer goods and materials
- ISM® Index of New Orders
- Manufacturers’ new orders, nondefense capital goods excluding aircraft orders
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Leading Credit Index™
- Interest rate spread, 10-year Treasury bonds less federal funds
- Average consumer expectations for business condition

### Summary Table of Composite Economic Indexes

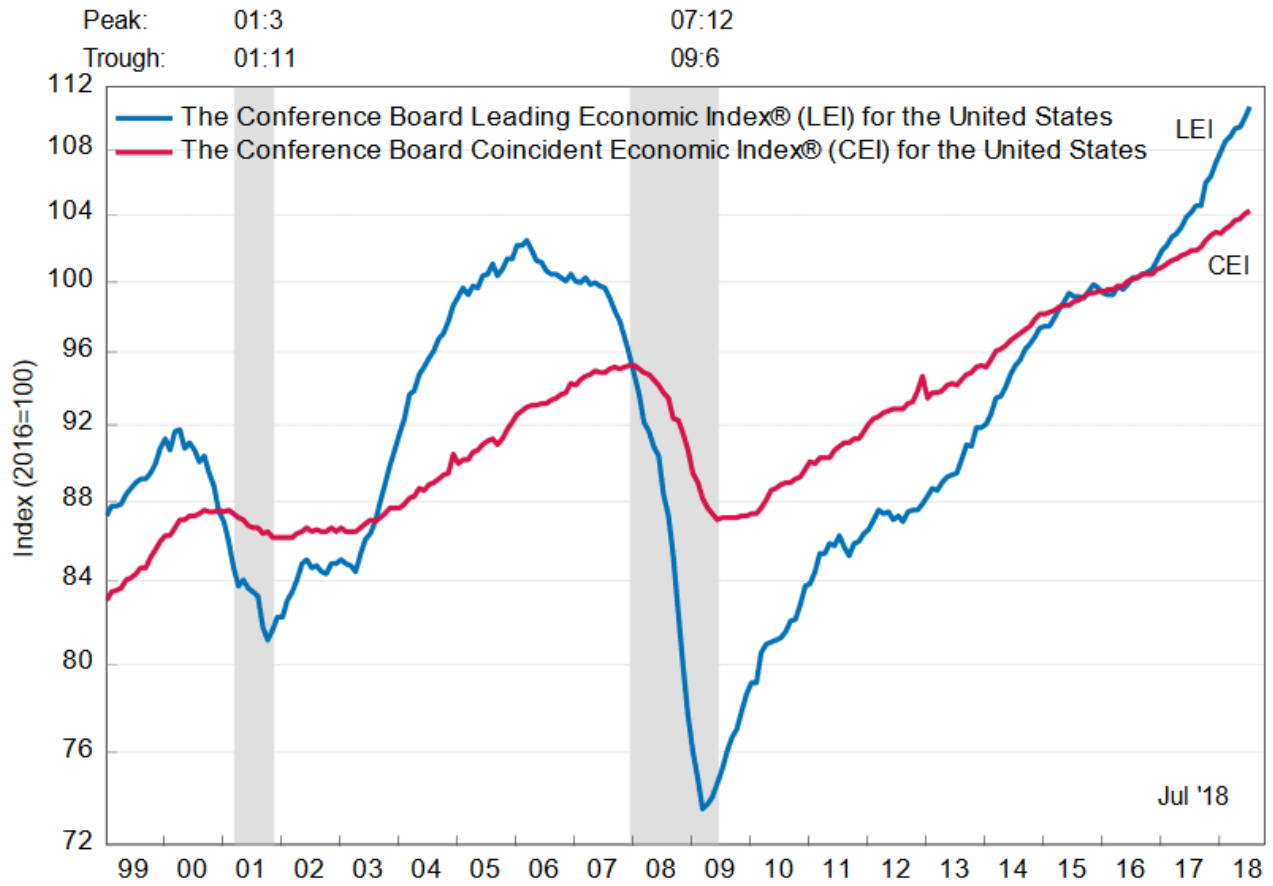
	May		2018 Jun		Jul		6-month Jan to Jul
Leading Index	109.4	r	110.0	r	110.7	p	
Percent Change	0.1	r	0.5		0.6	p	2.7
Diffusion	60.0		80.0		95.0		90.0
Coincident Index	103.7	r	104.0	r	104.2	p	
Percent Change	0.1		0.3		0.2	p	1.4
Diffusion	75.0		100.0		100.0		100.0
Lagging Index	105.2	r	105.4		105.2	p	
Percent Change	0.5		0.2	r	-0.2	p	1.1
Diffusion	71.4		57.1		50.0		50.0

p Preliminary    r Revised

Indexes equal 100 in 2016

Source: The Conference Board

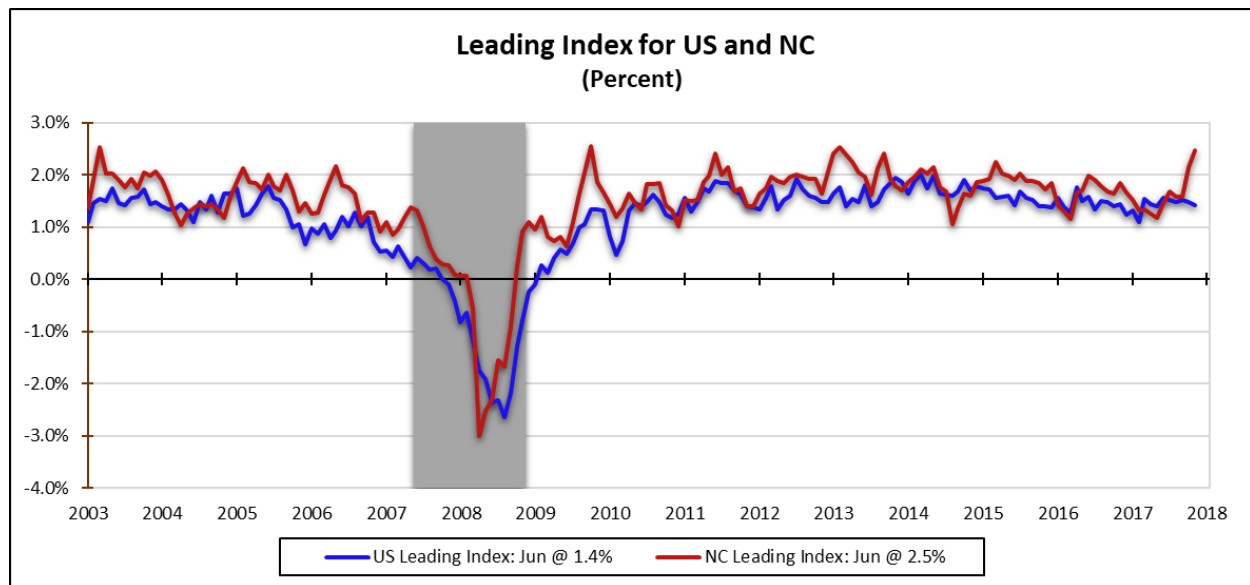
**The Conference Board Leading Economic Index® (LEI) for the U.S. Increased in July**



Latest LEI Trough March 2009, Latest CEI Trough June 2009

Shaded areas represent recessions as determined by the NBER Business Cycle Dating Committee.

Source: The Conference Board

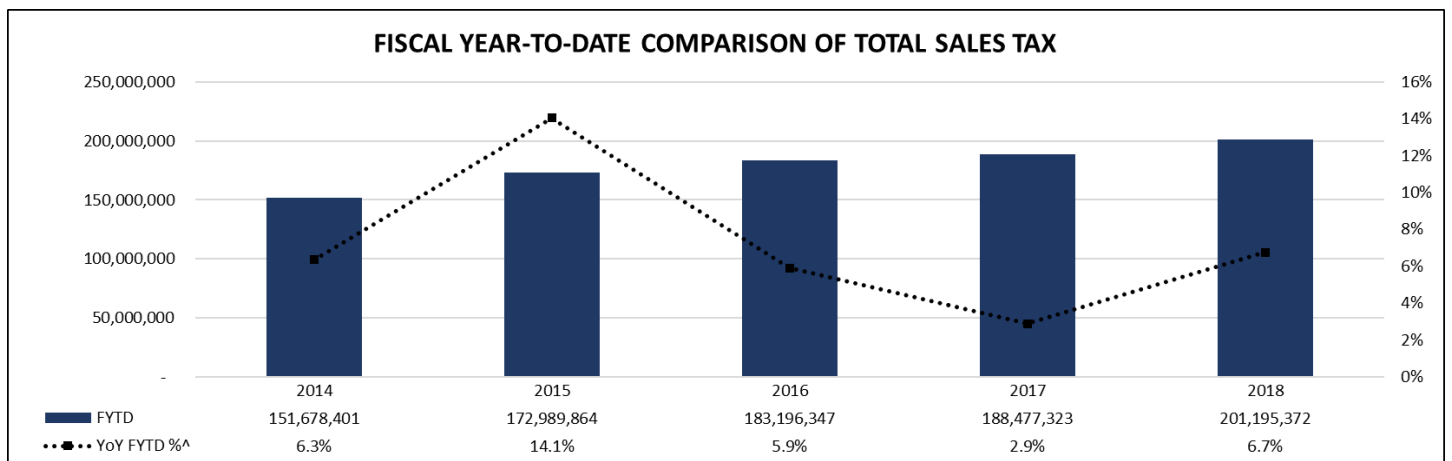
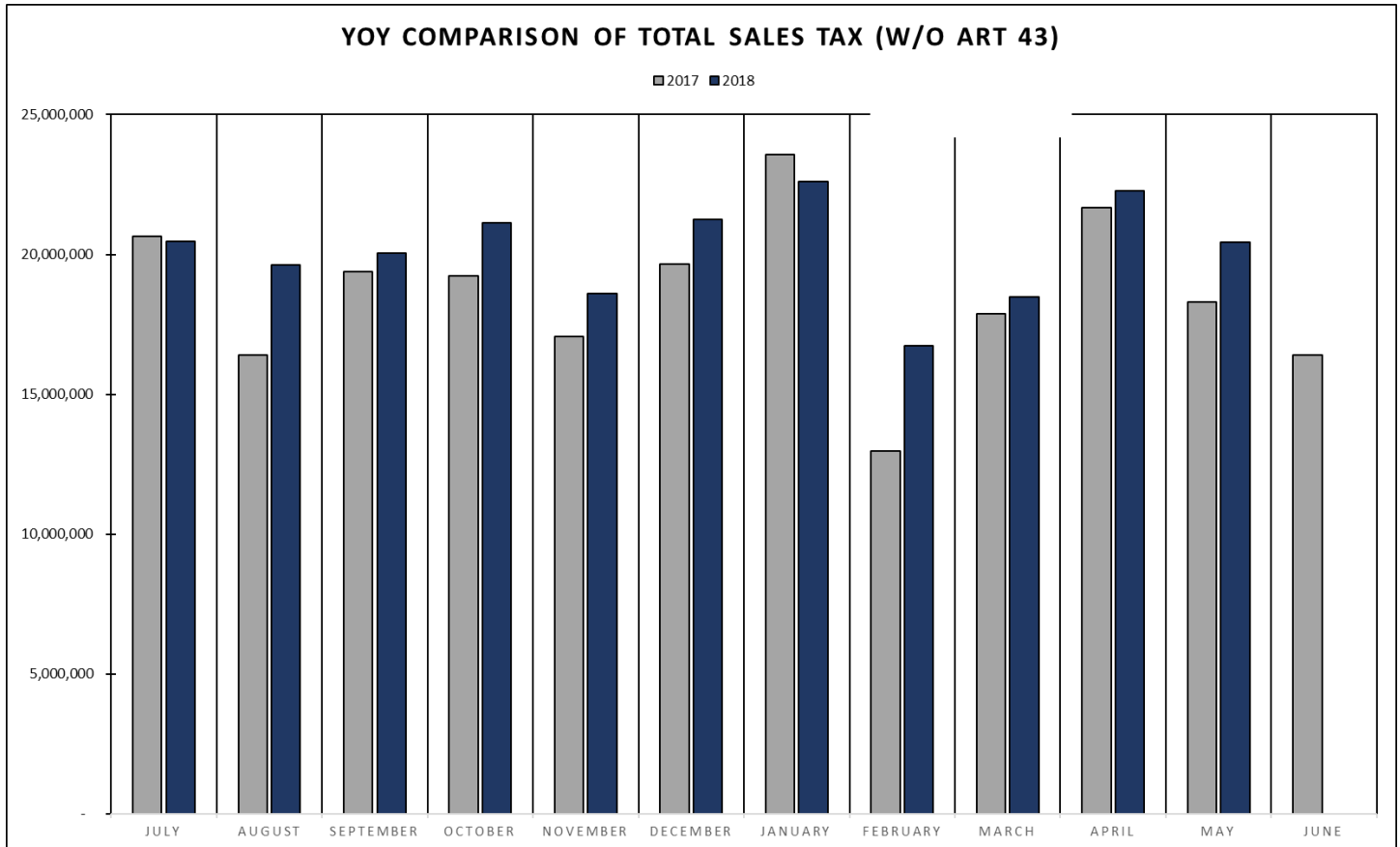


Source: The Conference Board and Federal Reserve Bank of Philadelphia

## Sales Taxes

*FY18 sales taxes are up 6.7% with refunding activity down 18.9% over FY17.*

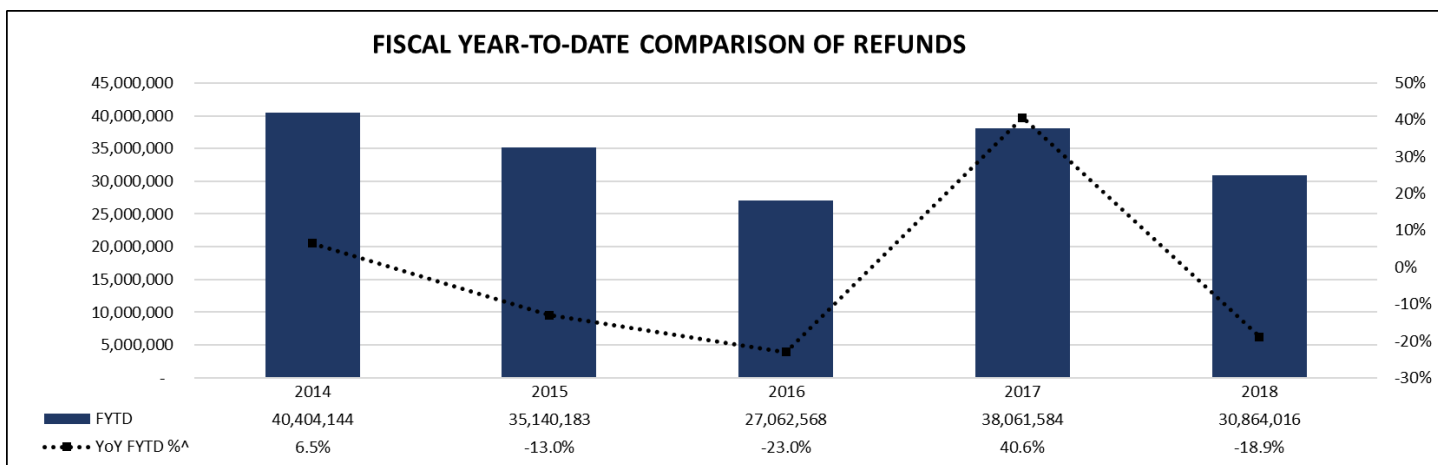
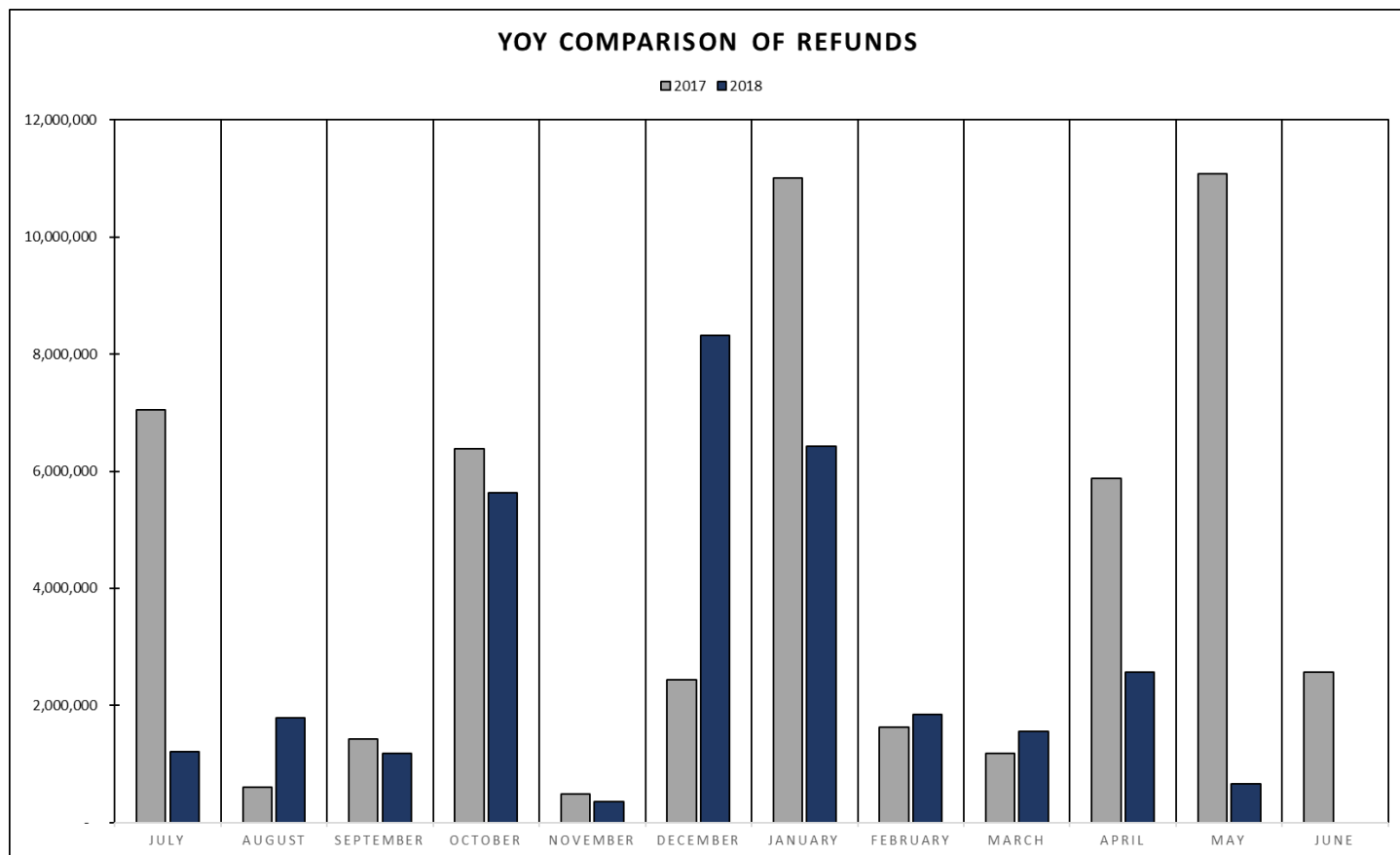
Sales taxes through May are up 6.7% from the same time last year with one month of activity remaining in the fiscal year. The chart below shows collections for sales taxes, excluding transit, in the month the taxes were collected. Data for June will be available in October.



*Note: The charts above exclude transit tax*

July and January were lower than the previous year due to refunding activity. Overall collections have been coming in strong up 6.7% over FY17. This also matches economic principles where improvements in consumer optimism, employment, and wages spur higher levels of spending.

To date refunds are down -18.9% over the previous year, but as shown on the graph below refunding is volatile and can vary greatly with fiscal year-to-date figures in FY16 down -23.6%, FY17 up 40.6%, and FY18 down -18.9%. It must be noted that May of 2017 showed heavy refunding activity versus May of 2018.



Source: North Carolina Department of Revenue (NCDOR)

# Mecklenburg County Office Market Statistics

*There is more office construction activity in Mecklenburg County than the entire state of Florida.*

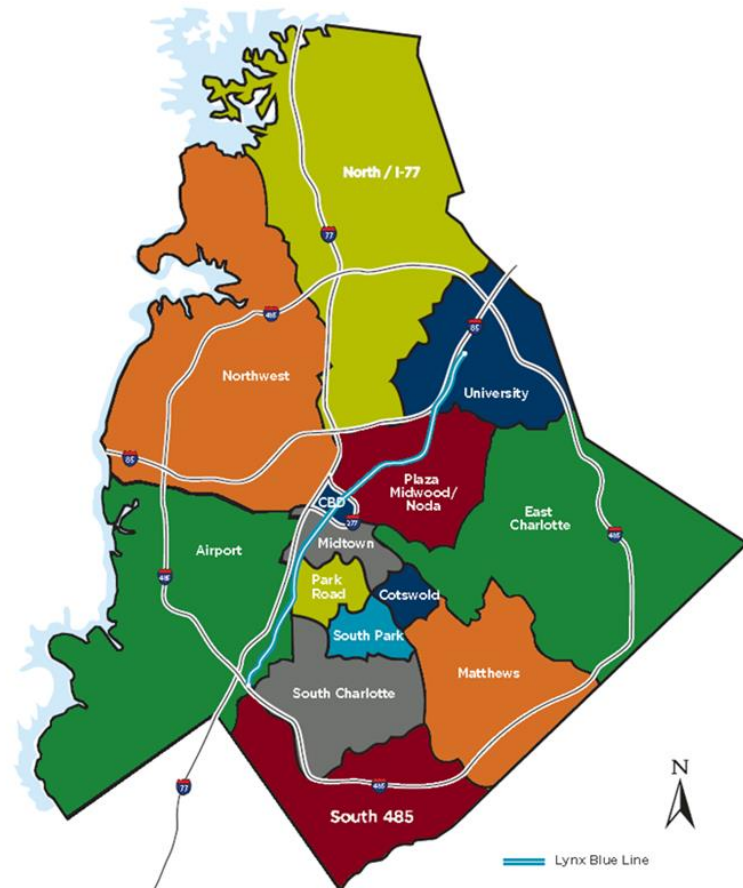
Mecklenburg County's office and commercial space has been rapidly growing, fueled by a lower cost of living than the nation, a strong millennial workforce growth, and an international airport. As a testament to the strength of the growth in Mecklenburg County, the amount of commercial construction in the county exceeded all the construction in the state of Florida. Through the first half of 2018, Class A asking rents rose 2.6% to \$24.98 per square foot. This pace of growth can be expected to continue for the rest of 2018 as the 2 million square feet of deliveries in 2017 continues to lease up and stabilize.

## Urban Market

Overall asking rents in the CBD have increased 4.6% year-over-year to an average of \$31.87 psf. Much of that appreciation can be attributed to new Class A deliveries such as 615 S College and 300 S Tryon. However, newly renovated buildings are also playing a significant role in the overall market rent increase of Uptown. These up-fitted Class B buildings are seeing increased demand by tenants looking for a premium location at a market discount. Currently, the urban market is constructing 2.4 million square foot of new space.

## Suburban Market

The suburban market has total of 1.1 million square foot of inventory under construction. Average rents for the suburban market grew 3.3% from the prior quarter to \$23.74. The most notable second quarter sale was in the Airport market with Dilweg's purchase of the Vanguard Center for \$42.7 million (\$81 per square foot) from True North Management Group. The purchase is a complete renovation that illustrates the potential for many similar projects.



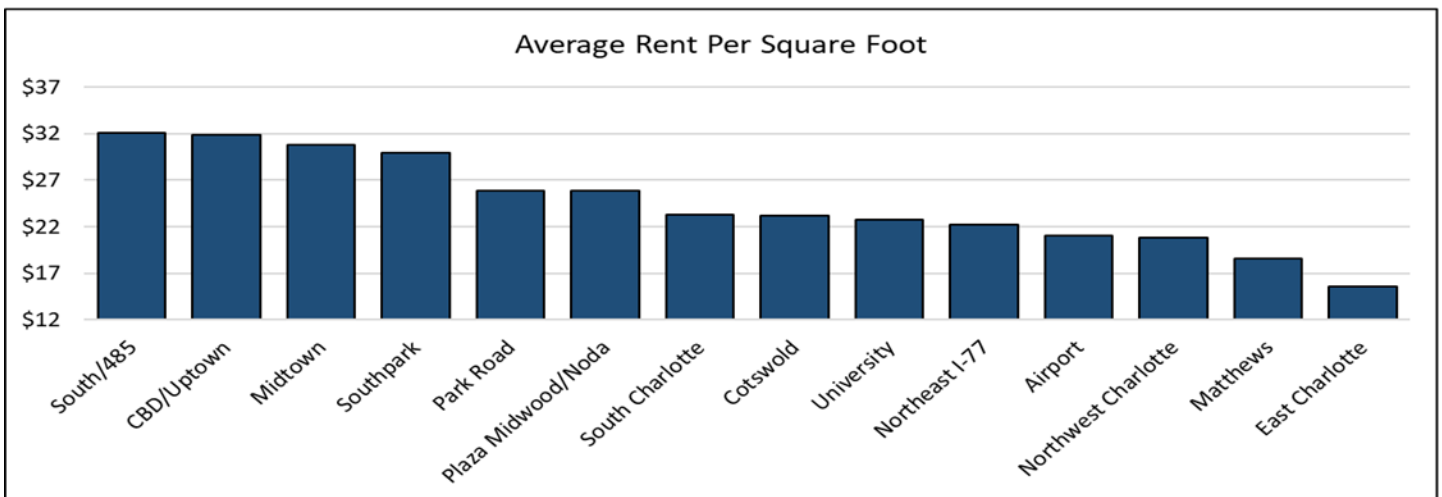
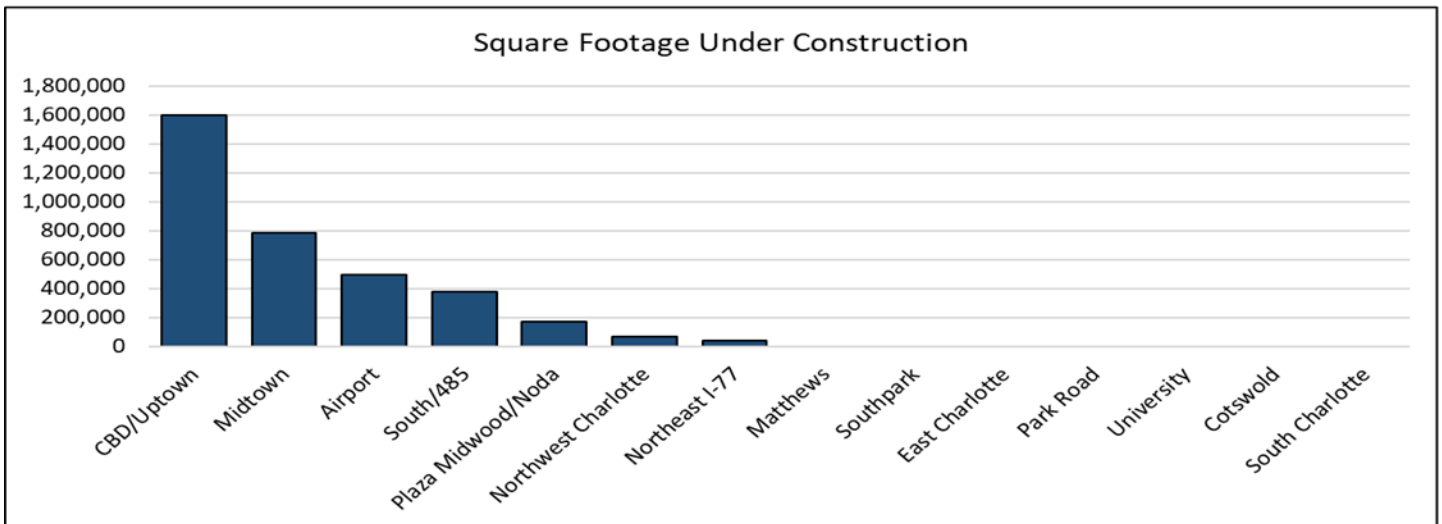
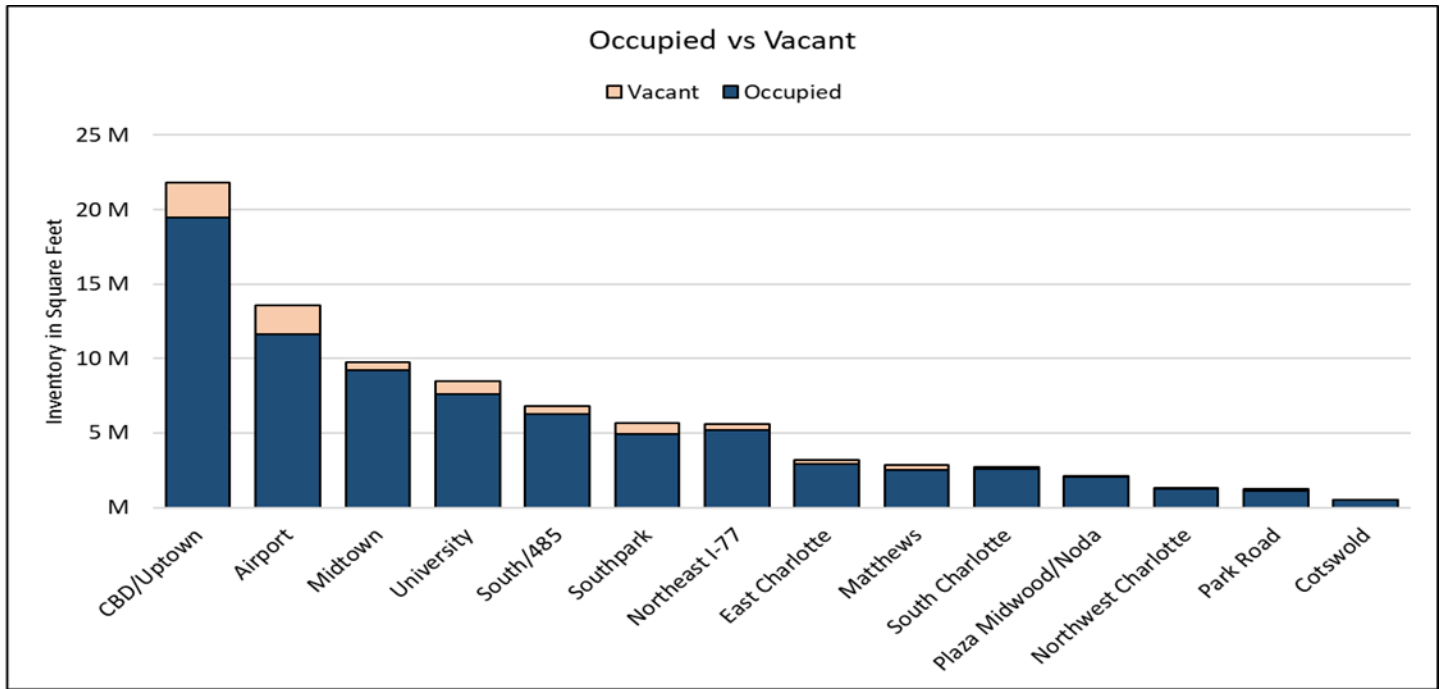


## OFFICE MARKET STATISTICS - SECOND QUARTER 2018

Submarket	Total Buildings	Inventory (SF)	Direct Vacant (SF)	Total Vacant (SF)	Overall Vacancy	YTD Net Absorption	YTD Deliveries	Under Construction	Average Asking Rent
CBD/Uptown	122	21,802,887	2,300,892	2,365,520	10.8%	232,622	-	1,595,073	\$31.87
Midtown	649	9,757,021	518,950	540,456	5.5%	-143,449	-	784,956	\$30.77
<b>Urban Market Total</b>	<b>771</b>	<b>31,559,908</b>	<b>2,819,842</b>	<b>2,905,976</b>	<b>9.2%</b>	<b>89,173</b>	<b>-</b>	<b>2,380,029</b>	<b>\$31.53</b>
Northeast I-77	391	5,614,898	330,984	443,775	7.9%	-36,417	4,114	42,000	\$22.24
Northwest Charlotte	192	1,324,368	43,936	43,936	3.3%	23,342	10,834	67,920	\$20.78
University	153	8,480,770	842,571	865,842	10.2%	1,717	-	-	\$22.80
Plaza Midwood/Noda	278	2,134,320	82,451	82,451	3.9%	-12,682	-	169,730	\$25.84
Airport	348	13,545,426	1,849,508	1,911,077	14.1%	-54,735	177,426	493,469	\$21.00
Park Road	84	1,230,687	102,167	102,167	8.3%	42,725	-	-	\$25.89
Matthews	241	2,829,533	275,871	277,677	9.8%	18,521	13,810	-	\$18.55
Cotswold	37	490,271	1,904	1,904	0.4%	678	-	-	\$23.21
South/485	173	6,828,044	509,058	581,206	8.5%	73,396	-	379,000	\$32.07
South Charlotte	174	2,738,201	125,520	135,916	5.0%	3,307	-	-	\$23.32
East Charlotte	323	3,163,450	272,633	272,633	8.6%	-13,848	-	-	\$15.61
Southpark	100	5,694,863	671,177	744,907	13.1%	22,329	-	-	\$29.91
<b>Suburban Market Total</b>	<b>2,494</b>	<b>54,074,831</b>	<b>5,107,780</b>	<b>5,463,491</b>	<b>10.1%</b>	<b>68,333</b>	<b>206,184</b>	<b>1,152,119</b>	<b>\$23.74</b>
<b>Charlotte Metro Total</b>	<b>3,265</b>	<b>85,634,739</b>	<b>7,927,622</b>	<b>8,369,467</b>	<b>9.8%</b>	<b>157,506</b>	<b>206,184</b>	<b>3,532,148</b>	<b>\$26.61</b>

## OFFICE MARKET STATISTICS - FIRST QUARTER 2018

Submarket	Total Buildings	Inventory (SF)	Direct Vacant (SF)	Total Vacant (SF)	Overall Vacancy (%)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)	Average Asking Rent
CBD/Uptown	123	21,820,244	2,459,019	2,507,213	11.5%	92,386	-	1,595,073	\$31.33
Midtown	649	9,757,021	476,255	553,098	5.7%	-82,629	90,438	774,194	\$31.02
<b>Urban Market Total</b>	<b>772</b>	<b>31,577,265</b>	<b>2,935,274</b>	<b>3,060,311</b>	<b>9.7%</b>	<b>9,757</b>	<b>90,438</b>	<b>2,369,267</b>	<b>\$31.24</b>
Northeast I-77	388	5,614,898	368,520	427,690	7.6%	-20,332	4,114	22,979	\$22.11
Northwest Charlotte	192	1,324,368	50,758	50,758	3.8%	16,520	10,834	-	\$21.14
University	154	8,531,770	896,469	904,069	10.6%	-35,080	-	-	\$22.27
Plaza Midwood/Noda	278	2,130,838	62,435	62,435	2.9%	7,334	-	169,730	\$21.46
Airport	348	13,546,071	1,784,290	1,809,793	13.4%	131,288	131,565	274,000	\$19.99
Park Road	84	1,225,621	155,596	155,596	12.7%	-10,704	-	-	\$25.80
Matthews	241	2,829,533	298,768	300,574	10.6%	-20,186	-	-	\$18.12
Cotswold	37	490,271	2,836	2,836	0.6%	-254	-	-	\$23.08
South/485	170	6,934,328	489,244	546,139	7.9%	107,963	-	30,000	\$29.53
South Charlotte	173	2,737,142	139,924	139,924	5.1%	-701	-	-	\$22.93
East Charlotte	324	3,163,450	274,655	274,655	8.7%	-13,005	-	-	\$15.61
Southpark	100	5,695,314	682,747	744,089	13.1%	23,147	-	-	\$30.79
<b>Suburban Market Total</b>	<b>2,489</b>	<b>54,223,604</b>	<b>5,206,242</b>	<b>5,418,558</b>	<b>10.0%</b>	<b>185,990</b>	<b>146,513</b>	<b>496,709</b>	<b>\$22.96</b>
<b>Charlotte Metro Total</b>	<b>3,261</b>	<b>85,800,869</b>	<b>8,141,516</b>	<b>8,478,869</b>	<b>9.9%</b>	<b>195,747</b>	<b>236,951</b>	<b>2,865,976</b>	<b>\$26.03</b>



## Mecklenburg Warehouse Market Statistics

Industrial warehouse space continues to be in high demand especially by third party logistics (3PL) tenants. Since 2017, 2.2 million square feet of warehousing space was added in Mecklenburg County. Currently, there are approximately 139.5 million square feet of total warehousing space.

Total vacant space amounted to 6.3 million of which 5.1 million was in large warehouses located in the Northwestern and Southwestern market. Mecklenburg's vacancy rate increased by 20 basis points to 4.5% in the second quarter which is lower than the regional vacancy rate of 5.9%. (Region includes York and Cabarrus)

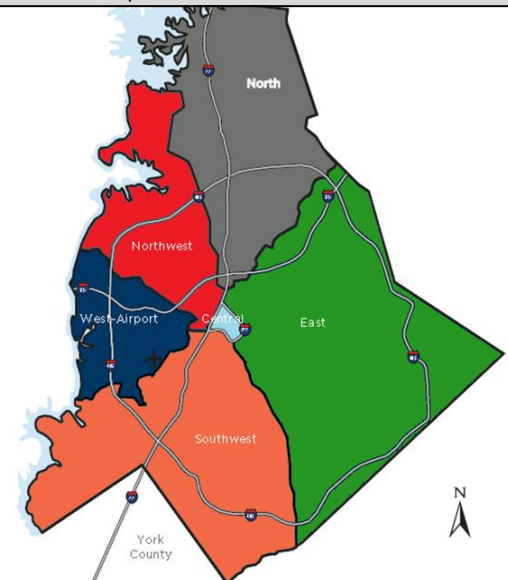
Rates within the central region showed large changes with warehousing space up \$4.81 per square foot, a 46.6% increase from 2017. The East market had a decline in rate of 36.7%, which is largely due to new inventory available. Overall rates for the county are up \$0.28 or 5.1%.

Since last year flex warehouse footprint remained roughly unchanged with a 0.6% increase in square footage. However, higher demand has pushed rates up 7.2%. Large warehouses space grew by 1.7% with rates increasing by 4.5%.

The second quarter data shows we added 960,000 new square foot of inventory with an additional 1.6 million square foot under construction.

### Significant Project Developments

PROJECT	SQUARE FT	DEVELOPER	ESTIMATED COMPLETION	SUBMARKET	TYPE
Amazon Distribution Center	1,000,000	TPA Group	Q1 2019	Cabarrus County Industrial	Warehouse
980 Derita Rd	410,814	Silverman Group	Q1 2019	Cabarrus County Industrial	Warehouse
Commerce Station Rd	324,000	Foundry Commercial	Q3 2018	North Industrial	Warehouse
Legacy Park East –Phase I	193,750	Colliers International	Q3 2018	York County Industrial	Warehouse
Wilkinson Commerce Center –Building C	172,000	Scannell	Q3 2018	Airport Industrial	Warehouse
Metrolina Park –Building 4	137,360	Beacon Partners	Q3 2018	North Industrial	Warehouse
Metrolina Park –Building 3	135,105	Beacon Partners	Q3 2018	North Industrial	Warehouse
Bryton Corporate Center –Building A	125,937	Foundry Commercial	Q1 2019	North Industrial	Warehouse
Stanley Black & Decker	345,000	Crescent Communities	Q3 2018	York County Industrial	Manufacturing
Steele Creek Commerce Park 9	125,400	East Group Properties	Q3 2018	State Line Industrial	Warehouse
Beltway Blvd –Building B	220,000	Foundry Commercial	Q3 2020	Airport Industrial	Warehouse



# INDUSTRIAL MARKET STATISTICS - Q3 2018

Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	156	4,434,446	94,570	2.1%	3,000	27,710	-	-	10.32
East	227	10,265,058	242,856	2.4%	440,806	4,184	-	-	3.65
North	584	30,982,512	796,751	2.6%	15,912	176,999	-	1,071,705	5.64
Northwest	225	13,422,081	1,402,010	10.4%	(168,075)	(308,170)	-	-	3.72
Southwest	474	42,434,787	1,846,676	4.4%	1,139,456	1,527,900	758,760	205,400	4.5
West Airport	475	19,913,251	784,480	3.9%	186,460	631,191	202,148	314,420	5.18
<b>Flex</b>									
Central	14	590,333	24,542	4.2%	(3,487)	(22,092)	-	-	18.9
East	76	3,037,683	52,969	1.7%	(7,214)	5,323	-	-	7.23
North	117	4,822,930	391,063	8.1%	896	20,030	-	-	9.6
Northwest	12	448,593	20,915	4.7%	(17,140)	(14,950)	-	-	10.27
Southwest	117	4,574,705	376,714	8.2%	21,302	155,873	-	45,600	9.69
West Airport	34	4,598,285	289,674	6.3%	4,912	126,150	-	-	8.39
<b>By Property Type</b>									
Total Warehouse	2,141	121,452,135	5,167,343	4.3%	1,617,559	2,059,814	960,908	1,591,525	\$4.96
Total Flex	370	18,072,529	1,155,877	6.4%	(731)	270,334	-	45,600	\$9.24
<b>Mecklenburg Total</b>	<b>2,511</b>	<b>139,524,664</b>	<b>6,323,220</b>	<b>4.5%</b>	<b>1,616,828</b>	<b>2,330,148</b>	<b>960,908</b>	<b>1,637,125</b>	<b>\$5.51</b>

# INDUSTRIAL MARKET STATISTICS - Q3 2017

Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	158	4,466,555	130,815	2.9%	(11,206)	10,617	-	-	\$5.51
East	227	10,251,057	76,935	0.8%	(10,200)	153,143	-	21,600	\$4.99
North	586	31,528,101	1,223,535	3.9%	431,440	1,037,771	636,584	576,485	\$4.74
Northwest	225	13,462,263	1,016,198	7.5%	1,153	(125,110)	-	-	\$3.45
Southwest	466	39,869,325	1,365,870	3.4%	239,844	1,547,761	273,420	1,127,750	\$5.21
West Airport	474	19,763,628	981,643	5.0%	454,855	1,003,154	216,500	458,135	\$4.83
<b>Flex</b>									
Central	16	598,426	29,680	5.0%	-	16,349	-	-	\$9.89
East	81	3,149,611	56,759	1.8%	44,753	91,881	-	-	\$8.27
North	115	4,928,012	378,940	7.7%	(52,342)	68,312	-	-	\$9.66
Northwest	12	448,593	5,945	1.3%	-	(695)	-	-	\$8.16
Southwest	111	4,431,391	342,786	7.7%	33,615	5,436	-	180,125	\$7.90
West Airport	134	4,407,405	338,150	7.7%	13,961	127,761	-	86,570	\$8.33
<b>By Property Type</b>									
Total Warehouse	2,136	119,340,929	4,794,996	4.0%	1,105,886	3,627,336	1,126,504	2,183,970	\$4.73
Total Flex	469	17,963,438	1,152,260	6.4%	39,987	309,044	-	266,695	\$8.57
<b>Mecklenburg Total</b>	<b>2,605</b>	<b>137,304,367</b>	<b>5,947,256</b>	<b>4.3%</b>	<b>1,145,873</b>	<b>3,936,380</b>	<b>1,126,504</b>	<b>2,450,665</b>	<b>\$5.23</b>

# INDUSTRIAL MARKET STATISTICS - YEAR-OVER-YEAR COMPARISON

Submarket	Total Buildings	Inventory (SF)	Total Vacancy (SF)	Vacancy Rate	Absorption (SF)	Past Four QTR Absorption	Completions (SF)	Under Construction (SF)	Weighted Average Rent per SF
<b>Warehouse</b>									
Central	(2)	(32,109)	(36,245)	-0.80%	14,206	17,093	-	-	\$4.81
East	-	14,001	165,921	1.60%	451,006	(148,959)	-	(21,600)	(1.34)
North	(2)	(545,589)	(426,784)	-1.30%	(415,528)	(860,772)	(636,584)	495,220	0.90
Northwest	-	(40,182)	385,812	2.90%	(169,228)	(183,060)	-	-	0.27
Southwest	8	2,565,462	480,806	1.00%	899,612	(19,861)	485,340	(922,350)	(0.71)
West Airport	1	149,623	(197,163)	-1.10%	(268,395)	(371,963)	(14,352)	(143,715)	0.35
<b>Flex</b>									
Central	(2)	(8,093)	(5,138)	-0.80%	(3,487)	(38,441)	-	-	9.01
East	(5)	(111,928)	(3,790)	-0.10%	(51,967)	(86,558)	-	-	(1.04)
North	25	(105,082)	12,123	0.40%	53,238	(48,282)	-	-	(0.06)
Northwest	-	-	14,970	3.40%	(17,140)	(14,255)	-	-	2.11
Southwest	6	143,314	33,928	0.50%	(12,313)	150,437	-	(134,525)	1.79
West Airport	(100)	190,880	(48,476)	-1.40%	(9,049)	(1,611)	-	(86,570)	0.06
<b>By Property Type</b>									
Total Warehouse	5	2,111,206	372,347	0.24%	511,673	(1,567,522)	(165,596)	(592,445)	0.22
Total Flex	(99)	109,091	3,617	-0.02%	(40,718)	(38,710)	-	(221,095)	0.66
<b>Mecklenburg Total</b>	<b>(94)</b>	<b>2,220,297</b>	<b>375,964</b>	<b>0.2%</b>	<b>470,955</b>	<b>(1,606,232)</b>	<b>(165,596)</b>	<b>(813,540)</b>	<b>\$0.28</b>

Green bars are positive year-over-year factors, red are negative factors. i.e. both inventory and vacancy are up in a given market red is used for the increased vacancy and green is used to designate the increased inventory.

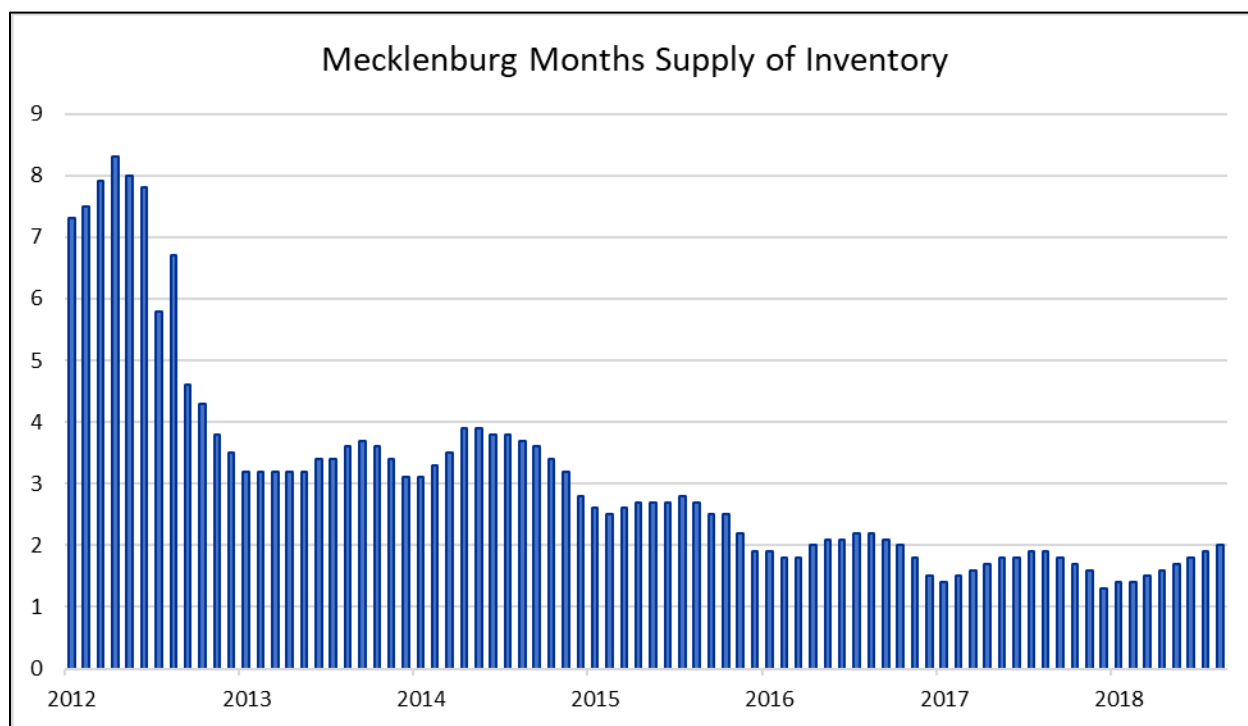
Source: Cushman & Wakefield Charlotte NC Industrial Q2 2018 MarketBeat Report

## Mecklenburg County Housing Market Statistics

Mecklenburg County's year-over-year home sales in August decreased -12.6%, with 1,752 properties sold compared to 2,004 properties sold over the same period last year. This marks the 7<sup>th</sup> straight month of year-over-year decreasing sales.

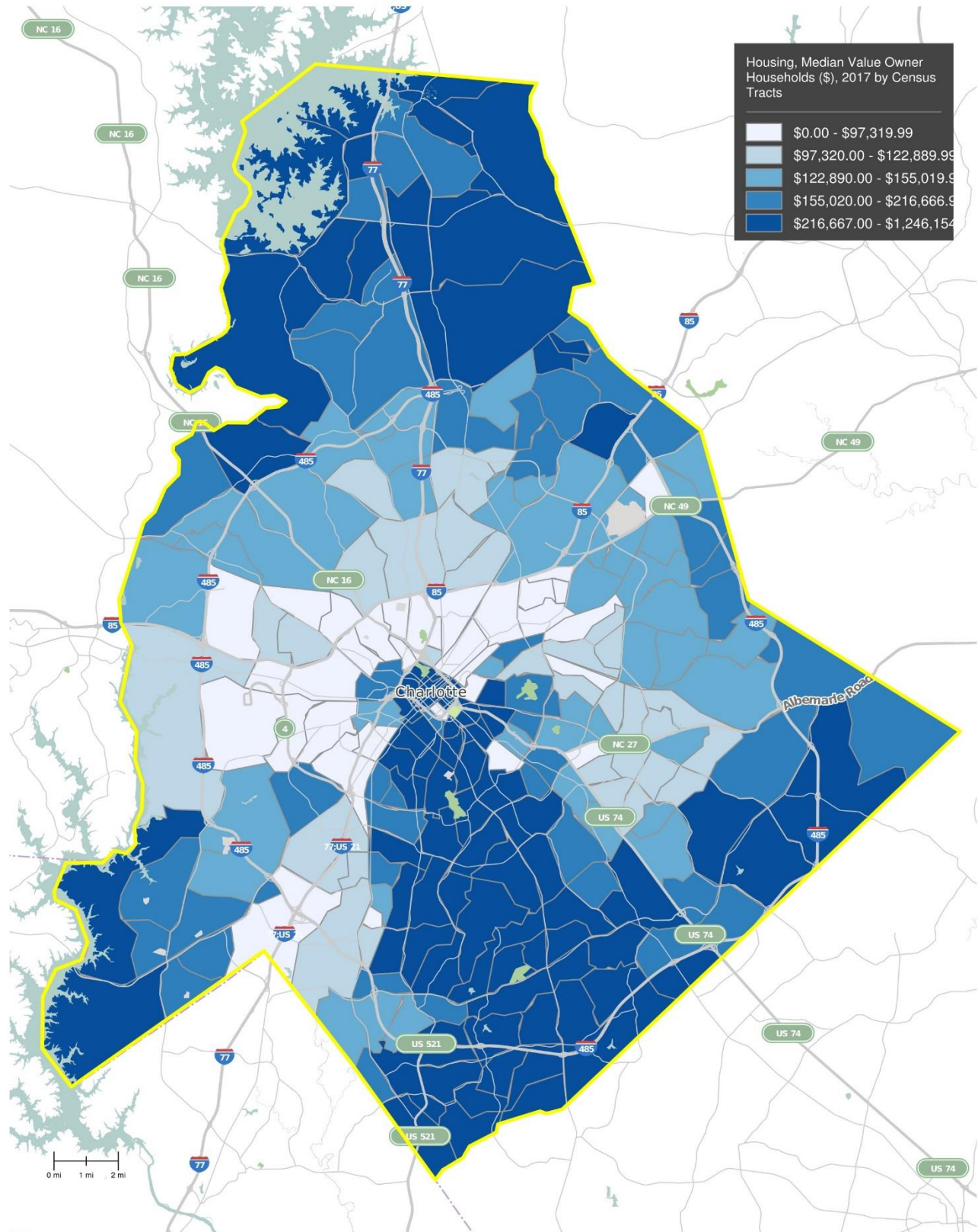
New listings year-over-year was down -0.8% with 2,226 properties up for sale compared to 2,244 properties up for sale over the same period last year. New listings have fluctuated up and down throughout the year with a 2018 monthly average at 2,419 this year compared to 2,455 last year.

Inventory remains tight with only two months' supply of homes currently on the market. The graph below shows how inventory has declined since 2012.



Year-to-date the average housing prices for the county is \$322,528, up \$60 from June. To date the County's home prices are up 7.7%. All submarkets are now in positive territory with Uptown Charlotte now up 2.2% year-to-date, compared to last month when it was down -0.5%.

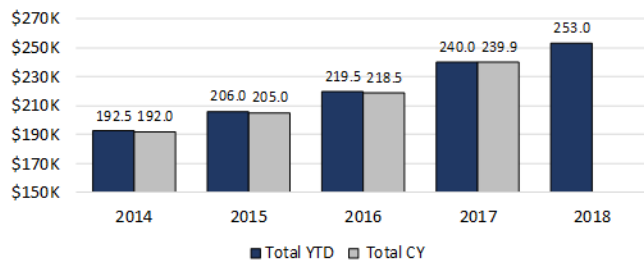




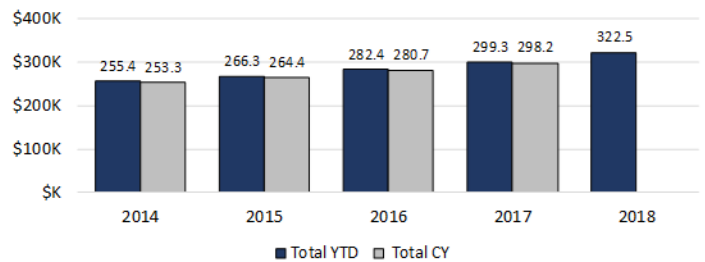
Mecklenburg County			August		Year to Date	
Key Metrics	2017	2018	Percent Change	Thru 8-2017	Thru 8-2018	Percent Change
New Listings	2,244	2,226	-0.8%	18,469	18,080	-2.1%
Pending Sales	1,838	1,868	1.6%	15,060	14,775	-1.9%
Closed Sales	2,004	1,752	-12.6%	14,347	13,767	-4.0%
Median Sales Price*	\$235,000	\$255,000	8.5%	\$240,000	\$253,000	5.4%
Average Sales Price*	\$290,235	\$323,727	11.5%	\$299,333	\$322,528	7.7%
Percent of Original List Price Received	98.3%	97.4%	-0.9%	98.2%	98.0%	-0.2%
List to Close	78	77	-1.3%	86	81	-5.8%
Days on Market Until Sale	29	31	6.9%	32	32	0.0%
Cumulative Days on Market Until Sale	35	37	5.7%	39	38	-2.6%
Inventory of Homes for Sale	3,726	3,406	-8.6%	--	--	--
Months Supply of Inventory	2.2	2	-9.1%	--	--	--

\* Does not account for sale concessions and /or down payment assistance.

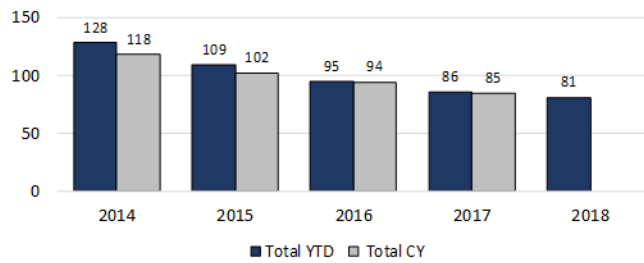
Median Sales Price for Mecklenburg County



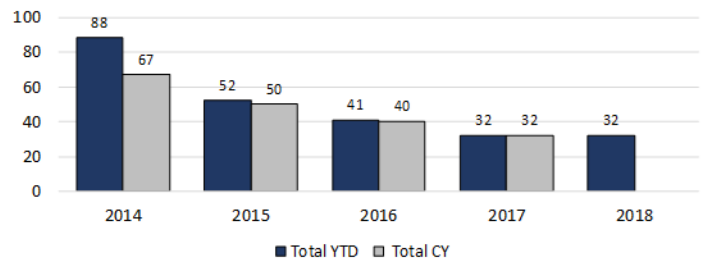
Average Sales Price for Mecklenburg County



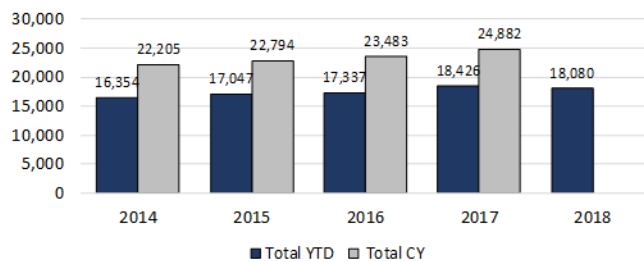
List to Close for Mecklenburg County



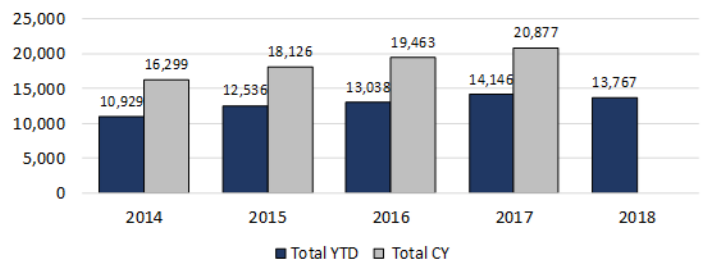
Days on Market Until Sale for Mecklenburg County



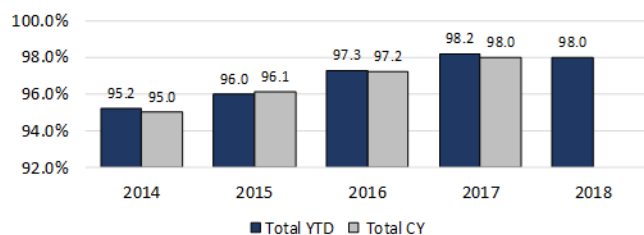
New Listings for Mecklenburg County



Closed Sales for Mecklenburg County



Percent of Original List Price Received for Mecklenburg County



Cumulative Days on Market Until Sale for the month of August

